

January – February
2000



WASHINGTON STATE
GAMBLING COMMISSION

Focus n Gambling

NEW COMMISSIONER APPOINTED

In January, Governor Locke announced the appointment of George Orr to the Gambling Commission. Commissioner Orr will be filling the position vacated by Ed Heavey and his term is scheduled to expire on June 30, 2005.

Commissioner Orr resides in Spokane. He and his wife, Judy, have two children and two grandchildren. Commissioner Orr currently holds the position of Fire Inspector with Spokane Fire Protection District No. 1, and he has thirty years of experience in the fire service industry. Commissioner Orr is a former member of the House of Representatives, a past School Board Member, and a former Credit Union Officer. These combined experiences indicate that he will be no stranger to the political arena. He also has a long history of deep involvement with his local PTA. Licensees were able to meet the

newest Commissioner at the



*Newly Appointed Commissioner,
George Orr*

February meeting. Please join us in welcoming him to the Gambling Commission Family!

There is still one vacant position yet to be filled to replace the seat vacated in November by Commissioner Pat Herbold. ♣



Welcome Commissioner Orr!

Commissioners:

Curtis Ludwig, Chair
Judge Marshall Forrest (Ret.), Vice Chair
Liz McLaughlin
George Orr

Ex-Officio Members:

Senator Margarita Prentice
Senator Shirley Winsley
Representative Alex Wood
Representative Jim Clements

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Executive Director Ben Bishop
Executive Asst. Shirley Corbett

Human Resources:

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Policy & Government Affairs:

Deputy Director Ed Fleisher

Program Managers:

Business Office:

Bob Sherwood

*Communications & Legal Department
and Financial Reporting Services:*

Amy Patjens

Electronic Gambling Laboratory:

Dallas Burnett

Information Services:

Tom Means

Operations:

Deputy Director Sherri Winslow

Field Operations:

Assistant Director Cally Cass-Healy

Program Managers:

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Northwest Region:

Greg Thomas

Southwest Region:

John Brinsmead

Licensing Operations:

Assistant Director Derry Fries

Program Manager:

Licensing Services:

Artis Collins

Special Operations:

Assistant Director Robert Berg

Program Managers:

Financial Investigations Unit:

Monty Harmon

Intelligence Unit:

Neal Nunamaker

Special Investigations:

Paul Swartz

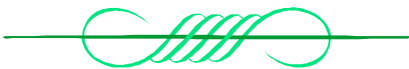
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E-MAIL NEWSLETTER DISTRIBUTION

Thanks to all of the licensees who have requested to receive their newsletter via the Internet. Several have visited our web site and recorded their email address for this purpose. The agency hopes to save printing and mailing costs by using this alternative.

Anyone choosing to receive the newsletter via the Internet will be notified when the newsletter has been posted to the web site and is ready to be downloaded. Hard copies for those not receiving electronic notification will be mailed approximately two weeks after the newsletter is posted on the site.

If you are interested in receiving your newsletter in this format, please visit our web site at www.wsgc.wa.gov and register your address. ?

RAFFLE TRAINING ON THE INTERNET

Commission staff has completed the first phase of an exciting alternative to the classroom style presentation for the mandatory licensee training program.

In early April 2000, new applicants required to attend the training for conducting a licensed raffle will have two more options added to satisfy the requirement. They can obtain training on the agency web site or they may request a CD-ROM disk from the agency containing the training information.

Once the applicant has identified him/herself by logging into the system and completed certain required segments of the training, an affidavit is available to be printed out on a computer for the applicant's records. In addition, the information will be electronically transmitted directly back to the Gambling Commission so the licensing technician can be advised that the training requirement has been satisfied. We think this will be of great value to busy applicants who have difficulty in arranging their schedule to attend a class.

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Of course, the option to attend the classroom presentation will also be available to those who prefer a live presentation.

In order to view the material, your computer must be running Internet Explorer or Netscape 4.0 or above, and be able to provide a live connection to the Internet. If you do not have Internet access, but have the required capacity on your computer to view this program, you may request a CD-ROM be prepared with the training information.

Current raffle licensees are encouraged to visit the site to become updated on the rules. You will only be required to log on if you need to have documentation that you received the training (i. e., new applicants or new raffle managers). We recommend that all raffle licensees use this site to learn more about their activity. Because of the way the information has been formatted, you will be able to access additional information that does not always come up during classroom

training. There is also the opportunity to ask questions of the Commission as you work through the training.

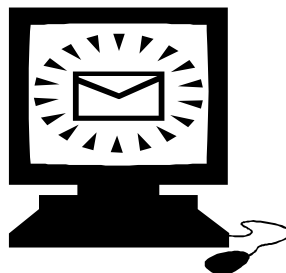
After the April start date, you can access this training by going to the agency web site at www.wsgc.wa.gov and selecting the training icon. We are interested in feedback on this new training alternative. If you wish to comment, you may either send something through the web site, call Communications Coordinator, Cindy Reed, at (800) 345-2529, extension 372, or write her at P. O. Box 42400, Olympia, WA 98504.

We intend to begin formatting the training curriculum for the other gambling activities during the next year. We will notify you as they are completed and put into our training site. ?

THANKS TO THE EARLY RENEWALS

The Licensing Services section reported that many licensees responded to their advisory letter requesting that renewals be sent early because of Y2K concerns. Fortunately for all of us, none of our concerns regarding electricity, phone and mail services, etc. were realized. It was helpful that so many licensees did send in their renewal notices early and we applaud them for their assistance.

We also want to thank our Information Services staff who spent numerous hours ensuring that our own internal systems would not fall prey to any of the glitches that had been widely talked about. These hard-working individuals were even more relieved to have that event pass without incident. ?



Processing of House-Banked Card Room License Applications at Conclusion of Card Room Enhancement Program – Pilot Study

At the November 30, 1999, Commercial Business Study Session, many questions were asked regarding the processing of house-banked card room license applications at the conclusion of the Card Room Enhancement Program (CREP) - Pilot Study on April 30, 2000. The following list of questions and answers has been mailed to all card room licensees in February. It is being re-printed here for the general information of other licensees.

Question

When will the Gambling Commission begin accepting new card room applications for enhanced and house-banked card room operation?

Answer

We will be accepting new applications beginning April 1, 2000. Applications and specific procedures are being developed and should be available for public distribution on or about March 15, 2000.

Question

What happens to the current House-Banked CREP Participant List?

Answer

Participants on the House-Banked CREP Participant List will be given priority for their phase I review completion until the list is exhausted. If an applicant on the current list fails to provide the Commission with a card room location on or before May 1, 2000, their application will be administratively closed, as specified in WAC 230-04-020. Licensees with a Class E Card Room license that are also on the list, will be given the same time period to specify an authorized location for house-banked activities or face removal from the list.

These licensees will be allowed to continue as a Class E public card room operation. In that event, the Commission will refund the CREP fees, minus our costs.

Question

How will the Commission determine priority to operate a house-banked card room when the current House-Banked CREP List is exhausted?

Answer

For all new house-banked applicants applying on or after April 1, 2000, the date of a completed application will be used to determine priority of operation. A completed application is defined below. If an application is received prior to April 1, 2000, an applicant will be assigned an April 1, 2000, submission date.

An application is considered complete when:

- The basic application form and attachments have been completed in every respect;
- All requested documents have been attached; and
- It is submitted, with the proper fee, to the Gambling Commission's office located in Lacey, Washington. An application shall be considered delivered to the Commission after being properly addressed to the Commission and deposited in the U.S. Mail.

Question

What will it cost to apply for or renew an enhanced or house-banked card room license?

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Answer

The Commission will charge the fees set out in WAC 230-04-203, Fees — Commercial stimulant and other business organizations, effective December 31, 1999, for all new applicants applying on or after April 1, 2000, or licensees renewing on or after May 1, 2000. However, many fees will be prorated to align license expiration dates to one of the four quarters throughout the year. If this occurs, an applicant or licensee will be charged a license fee according to the prorated period.

Question

How will the Commission process sales of businesses operating house-banked card games?

Answer

Licenses issued by the Commission are not transferable to another person except in the event of proven incapacity, death,

receivership, bankruptcy, or assignment for the benefit of creditors when directed by the courts. Each new owner will be required to submit a new house-banked application and meet all license and house-banked operational requirements prior to receiving a license. All licensees are urged to contact the Commission to communicate details of the sale. Prior contact may be helpful in eliminating delays or worse, an interruption in card room activity.

Should you have any questions or need further clarification on this issue, please contact the Licensing Services at our toll free number 1-800-345-2529 or (360) 438-7654, extension 300. ?

ATTENTION AMUSEMENT GAME OPERATORS

*Steve Young, Special Agent/Amusement Game Coordinator
Tacoma Office*

The Gambling Commission hopes that 2000 will bring many successes to your organizations. There will be an increased emphasis in the monitoring of commercial amusement games this year over previous years due to an increasing number of violations of the RCW laws and WAC rules observed this past quarter.

While this news article is geared toward the Class B or above Commercial Amusement Game operator sharing revenue with the locations where amusement game machines are placed, owner/operators also need to be aware of the increased monitoring. Here are some rules to review and keep in mind for success:

- 1) Licensed Route Operators (Class B and above) must verify the location where they

are placing an amusement game has a valid Class A (Premises Only) license (WAC 230-02-670(5)).

- 2) Licensed Route Operators must post a copy of their gambling license, in addition to the license issued to the premises, in the vicinity of the gambling activity (i.e., amusement game machine) (WAC 230-04-450). This is to ensure the public knows the amusement game machine they are playing is properly licensed for use in Washington. The Gambling Commission recommends that the license for the owner of the machine be affixed inside the machine to protect it from accidental destruction and disappearance. The premises license (Class A) may either be located next to the route operator's

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license, or with the other gambling licenses for the premises (i.e., pull tabs, card room, etc.)

- 3) Owners of amusement game machines placed at Class A Premises Only locations must purchase the applicable year identification and inspection services stamps by December 31st of the preceding year (WAC 230-08-017) and affix it to the machine. Operators were sent a letter dated November 12, 1999, reminding them of this requirement.
- 4) Any and all contracts regarding the operation of amusement games shall be submitted to

the Commission and become part of the license file. The contracts include those between amusement game machine owners and route operators and those contracts between route operators and the Class A Premises Only locations. Violations of the terms of the contract by a commercial amusement game operator may be grounds for suspension or revocation of their license (WAC 230-20-670(2)).

Here is a quick review of the amusement game licensing, posting, and notification requirements:

Type of Amusement Game License	Who needs it	Posting and notification requirements	Special Concerns
Class A (premises only)	A location owner who does not own the amusement game machine but shares revenue with the machine owner	<ul style="list-style-type: none"> • Post license with other gambling licenses for the premises or along side the Class B license posted inside the machine • Send copy of contract with Class B owner to Gambling Commission 	Ensure that they do not allow a machine to be operated at their premises without a current Class B or larger amusement game license posted in the vicinity by the owner of the machine
Class B or above (Also known as route operators if they lease machines to other premises)	A person who owns an amusement game on his/her own premises, OR: Contracts with other locations to allow the machines to be operated and shares the revenue with the premises owner	<ul style="list-style-type: none"> • Post a copy of the license next to the machine, or preferably inside the machine to verify the owner is licensed • Send copies of all contracts with Class A licensees to Gambling Commission 	<p>Ensure that each location where the game is placed has a Class A license (not necessary only if the premises is owned by the Class B licensee)</p> <p>Obtain the Identification and Inspections Services stamps each year and place them on the machines</p>

Washington State Gambling Commission

2000 COMMISSION MEETING SCHEDULE

March 9 & 10

The Inn at Semiahmoo

9565 Semiahmoo Parkway
Blaine, WA 98230-9326 – (360) 371-2000

April 13 & 14

Pasco Double Tree Hotel

252 North 20th Ave
Pasco, WA 99301 – (509) 547-0701

May 11 & 12

LaConner Country Inn

107 S. Second Street
LaConner, WA 98257- (360) 466-3101

June 8 & 9

Cavanaugh's Inn at Park

303 W. North River Drive
Spokane, WA 99202 – (509) 326-8000

July 13 & 14

WestCoast Bellevue Hotel

625 – 116th Avenue N.E.
Bellevue, WA 98004 – (425) 455-9444

August 10 & 11

The Inn at Gig Harbor

3211 56th St NW
Gig Harbor, WA 98335 – (253) 858-1111

September 14 & 15

WestCoast Wenatchee Center Hotel

201 North Wenatchee Avenue
Wenatchee, WA 98801 – (509) 662-1234

October 12 & 13

WestCoast Silverdale Hotel

3073 NW Bucklin Hill Road
Silverdale, WA 98383 – (360) 698-1000

November 16 & 17

Shilo Inn

707 Ocean Shores Blvd. NW
Ocean Shores, WA 98569 – (360) 289-4600

No meeting in December, 2000.

SERVICE SUPPLIER LOAN REPORTING

*Patrick Griffie, Special Agent
Financial Investigations Unit*

Are you a service supplier providing financing to operators? Have you been reporting all the loan activity you are required to? If you're not sure, you should review WAC 230-12-305(4). It reads in part:

The persons licensed by the commission shall be required to submit any changes in the following documents or information on file with the commission:

- ♦ All loans, from other than recognized financial institutions, which individually or collectively exceed a total of \$2,000 during any calendar year.

The new or updated documents and/or information shall be submitted to the commission by notation on the next quarterly activity report filed by attaching all details concerning each transaction. Licensees not required to submit quarterly activity reports shall submit the required information no later than 60 days following the transaction(s) date.

In the case of a service supplier that provides financing to an operator, this reporting obligation falls both on the service supplier and the

operator. For example, suppose a service supplier has disclosed to the commission that it has an agreement to lend an operator \$100,000. As funds are disbursed, the changes in that operator's loan balance should be disclosed to the commission by the operator each quarter as specified in the rule. Additionally, should the agreed-upon maximum loan amount be changed to say, \$125,000, both the service supplier and the operator should disclose the change to the commission by their specified time periods. The service provider is required to report the new loan within 30 days of the oral or written agreement (WAC 230-04-119(3)). The operators would need to report the change by the due date of their next quarterly report. Other changes in funding, such as a change in the provider of funds borrowed, should also be disclosed in accordance with the rule. Your assistance in keeping the commission updated on loan changes is appreciated. ?



GET TO KNOW THE COMMISSION STAFF

Ed Fleisher – 25 Years of State Service

Ed Fleisher received an award at the February commission meeting for 25 years of state service.

Ed was appointed Deputy Director of Policy and Government Affairs in August 1998. Areas of responsibility within his division are:

Communications and Legal Department
Financial Reporting Services
Information Services & Telecommunication
Business Operations Services
Electronic Gambling Lab

Ed's career in state government began in 1975 as Legal Counsel with the Washington State House of Representatives, Ways and Means Committee. Since then, his employment in law and public policy has covered the following areas:

- General Counsel to the Insurance Commissioner 1997
- Private law practice in 1996 and 1997
- Appellate Judge on Court of Appeals in 1995 and 1996. *He ruled on more than 229 cases and authored more than 70 opinions.*
- Legal Counsel to the Governor 1993 to 1995.
- Legal Counsel to the Speaker of the House in 1977 to 1980 and again 1986 to 1993.
- Staff Director and Senior Legal Advisor

to the House Democratic caucus and staff from 1980 to 1986.

- Legal Counsel for the House of Representatives Ways and Means Committee from 1975 to 1977.

Ed's involvement in gaming issues precedes his work with the Gambling Commission as he became active with the passage of IGRA in 1989. At that time, he worked for Speaker Joe King and was responsible for all issues involving gaming and state/tribal relations. He worked closely with Commission staff and negotiated the legislation to set up the compact approval process. While serving as legal counsel to Governor Lowry, he served as a member of the Legislature's Gambling Task Force and was liaison with the Gambling Commission. He also worked on designing the state's position on the scope of tribal casinos that was adopted by the Governor and finally, he represented a number of Tribes on gambling issues while in private practice.

Education:

Juris Doctor degree from the University of Washington Law School in 1974

BA, Economics from the University of Washington

Personal:

Ed has two children, Laura and David.



WASHINGTON STATE GAMBLING COMMISSION ADMINISTRATIVE ACTIONS



LICENSEE	VIOLATION	CASE OUTCOME
Sierra Design Group Reno, NV	Failure to disclose several civil actions regarding the licensee	Agreed Order. 30 day suspension: 15 days deferred, 15 days vacated by payment of a \$1,000 fine. \$1,623 investigative fees and costs.
Win Stuff (FKA Mission Crane Services)	Operating without a valid license. The licensee failed to obtain a new license following the purchase of Mission Crane Service	Settlement in Lieu of Charges \$10,000 fine. \$6,255 investigative fees and costs. Applicant agreed to refund all proceeds collected during the unlicensed period at issue.

Clarification notice for Administrative Case Update:

The Nov/Dec edition indicated a final resolution regarding a Card Room Employee license application for Tarl Medina. The case was heard on February 15, but as of this date, there has been no final resolution. We apologize for the error.

Mission Statement

The Gambling Commission regulates and controls gambling activities within the state of Washington and, in partnership with other law enforcement agencies, restrains criminal activities associated with unlawful gambling.



Financial Reporting Services Reports

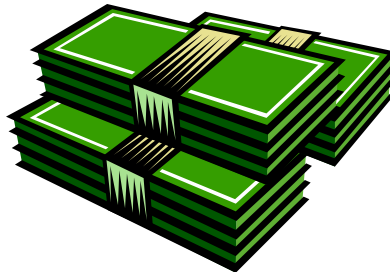
The following licensees failed to submit their quarterly reports when due. They have submitted their reports now and paid the appropriate fine based on the number of late reports in the preceding two-year period.

<u>LICENSEE/LOCATION</u>	<u>FINE</u>	<u>YR/QTR</u>
Asia Gardens/Enumclaw	\$200	99/3
Corner Tavern/Bow	\$200	99/3
Index Tavern/Index	\$200	99/3
Central Restaurant/Seattle	\$100	99/3
Corner Tavern & Grill/Bow	\$100	99/2
Daddy's Pub/Vancouver	\$100	99/3
Iron Skillet/Tumwater	\$100	99/3
Lockerroom Sports Bar/Pt Angeles	\$100	99/3
Marv's Broiler/Seattle	\$100	99/3
Pee Wee Tavern/Tacoma	\$100	99/3
Surf House Tavern/ Pacific Beach	\$100	99/3
Wally D's Diner/Shoreline	\$100	99/3

Schedule of Fines

First Offense.....	\$100
Second Offense.....	\$200
Third Offense.....	\$300
Fourth Offense.....	\$400

Subsequent offenses may lead to loss of license



ADMINISTRATIVE RULE CHANGES

The following rules were passed at the February meeting and will become effective July 1, 2000.

GAMBLING SERVICE SUPPLIERS

WAC 230-02-205 – Gambling service supplier defined.

WAC 230-02-206 – Gambling service supplier representative defined.

WAC 230-04-119 – Licensing of gambling service suppliers.

In the past, it has been unclear whether a business that assembles and supplies gambling components to licensed manufacturers should be licensed as a gambling service supplier or a manufacturer. This change clarifies that these businesses shall be licensed as a gambling service supplier.

Furthermore, dealer schools shall now be licensed as a gambling service supplier and the trainers licensed as a gambling service supplier representative.

The following rules will be up for Final Action at the March 2000 meeting. If passed, we anticipate they will become effective July 1, 2000.

BINGO RULES

WAC 230-02-108

Gambling proceeds defined.

Gambling proceeds are defined as gambling income less prizes paid and expenses. Currently, operators may only deduct expenses that are required in order to operate the gambling activity.

Language has been amended to reduce the restrictions on what types of expenses can be deducted from gambling income. In addition to

expenses that are required to operate the gambling activity, operators will now be able to deduct expenses that directly or indirectly relate to the gambling activity, such as rental of a bingo hall or retail sales items.

WAC 230-02-123

Charitable or nonprofit organizations – Net return defined.

Language was added to clarify that income from the rental of a gaming facility may be applied toward an organization's net return.

WAC 230-02-183

Active member defined.

Currently, to qualify as an active member of an organization, an individual must live in Washington State or within one hundred miles of an organization's main office. The number of meetings a person must attend to remain an active member is not addressed.

Language was added to clarify that members who attend 75 percent of an organization's meetings will be considered active members. This will allow all members, including those who live out of state, to miss one or two meetings, while still maintaining their active member status.

230-04-330

Change of Management.

This rule was removed from the agenda at the February meeting. It will be discussed further in upcoming nonprofit study group sessions.

WAC 230-08-080

Daily records – Bingo.

Language was amended so that bingo operators will no longer be required to record the time player attendance is taken and include

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that as a part of the attendance record.

Under current rules, operators are required to store bingo records for three years. These records are voluminous and require a large amount of storage space. Language was amended to reduce the length of time records must be stored from three years to 24 months; however, each session summary will still be kept for three years.

WAC 230-08-100 *REPEALED*****
Political contributions of licensees to be reported.

This rule requires licensees to report all political contributions. Due to a recent change in law, operators are now required to report political contribution information annually to the Public Disclosure Commission. Because this information is available through the Public Disclosure Commission, this rule should be repealed.

WAC 230-08-105
Disposable bingo cards – Inventory control record.

As a result of modern technology, electronically generated formats for inventory control have emerged. Language has been added to include electronically generated inventory records as authorized inventory control formats.

WAC 230-12-050
Extension of credit, loans, or gifts prohibited – Limited exception.

This rule was amended to allow bingo operators to provide free or discounted food and non-alcoholic beverages to their players.

WAC 230-12-078
Bona fide charitable or nonprofit organizations – Responsibilities – Independent management control structure required.

A housekeeping change has been made so that this rule is consistent with the requirements set forth in WAC 230-12-076 and WAC 230-04-040

regarding group assignments and responsibilities.

WAC 230-20-110
Prohibited practices.

Minimum net return requirements are set forth in WAC 230-20-059. Therefore, subsection (1)(c) has been removed as it is already addressed in WAC 230-20-059.

WAC 230-20-120 *REPEALED*****
No free food or beverages to be provided at bingo games – Exceptions.

This rule restricts bingo operators from giving away free or discounted food or drinks to players during bingo sessions.

Language has been added to WAC 230-12-050 (above) to allow bingo operators to offer free and discounted food and non-alcoholic beverages to their players. Therefore, this rule would no longer be valid.

WAC 230-20-220
Operators shall not play.

This rule was amended to remove some extraneous language and to clarify that individuals who operate bingo games at agricultural fairs may participate in bingo games at the agricultural fairs.

WAC 230-20-243
Hidden face bingo games.

Currently, instant winner games are allowed following individual approval from commission staff. Language was added to clarify that instant winner games are allowed when operated under the conditions set forth in 230-20-241.

WAC 230-20-244
Electronic bingo card daubers – Definition – Operating restriction – Standards.

This rule is not clear regarding the number of bingo cards a bingo player can play during each session. Therefore, language was added to clarify that bingo players can play a maximum of

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66 electronic bingo cards, in addition to as many paper bingo cards as they choose.

These rules were filed at the January meeting and will be up for Final Action at the April meeting. If passed, we anticipate an effective date of May 14, 2000.

LICENSEE REPORTING REQUIREMENTS

WAC 230-12-310

Licensees to report to the commission all civil, ((or)) criminal, and select administrative actions filed against them

This rule was amended to clarify and streamline which criminal and civil actions must be reported to the commission. Furthermore, language was added so that licensees are required to report administrative actions related to gambling and ownership issues to the commission. In the past, it was not clear if “civil actions” included administrative actions.

CARD ROOM RULES

The 1996 Legislature authorized card rooms to offer an increased number of tables, changed fee collection procedures and allowed player supported jackpot schemes. In August 1996, a pilot study was implemented by the Commission to research and examine changes from this legislation. Furthermore, the 1997 Legislature permitted card rooms to offer player funded and house-banked card games. The pilot study was amended to include these additional activities. The pilot study has allowed staff to evaluate the

level of regulation and the cost to our agency to regulate these activities prior to developing rules.

In May 1999, the rules that would implement this legislation were Up for Final Action. However, Governor Locke requested a moratorium be placed on the card room rules until 2000. As a result, the rules were placed on hold.

At the January 2000 meeting, the Commission voted to file a card room rules package. If passed at the April 14th meeting, they will become effective May 14.

If you would like a copy of the card room rules package, please see the agency web page at www.wsgc.wa.gov or contact the agency receptionist and she will mail you a copy. ?



Mandatory Training – First Quarter 2000

Northwest Region (425) 776-6751, Ext. 221

Date / Location	Time	Class Title
Jan. 6, Feb. 10, Mar. 9 Renton Community Center 1715 Maple Valley Hwy. Renton, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:00 am – 12:00 pm</u>	<u>Punch Boards / Pull-Tabs</u>
Jan. 18, Feb. 17, Mar. 21 Shoreline Senior Center 18560 1st Avenue NE Shoreline, WA 98155	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:00 am – 12:00 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 1:45 pm</u>	<u>Raffles (Feb. 17 ONLY)</u>
	<u>2:00 pm – 4:00 pm</u>	<u>Bingo (Feb. 17 ONLY)</u>

Eastern Region (509) 456-3167, Ext. 228

Date/Location	Time	Class Title
Jan. 4, Feb. 8, Mar. 7 Gambling Commission Office N. 901 Monroe, Suite 240 Spokane, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles (Feb. 8 ONLY)</u>
Jan. 19, Mar. 22 Department of Transportation 900 E. Selah Road Yakima, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles</u>
Feb. 15 P.U.D. Building Hwy. 395 and 10th Avenue Kennewick, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:00 pm – 3:45 pm</u>	<u>Raffles</u>

Southwest Region (253) 471-5312, Ext. 221

Date / Location	Date/Time	Class Title
Jan. 5, Feb. 9, Mar. 8 South Park Community Center 4851 S. Tacoma Way Tacoma, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo (Jan. 5 & Mar. 8 ONLY)</u>
	<u>3:15 pm – 4:00 pm</u>	<u>Raffles (Jan. 5 & Mar. 8 ONLY)</u>
Mar. 7 Red Lion Hotel Exit 39 off I-5 510 Kelso Drive Kelso, WA	<u>8:00 am – 10:00 am</u>	<u>Cardrooms</u>
	<u>10:15 am – 12:15 pm</u>	<u>Punch Boards / Pull-Tabs</u>
	<u>1:00 pm – 3:00 pm</u>	<u>Bingo</u>
	<u>3:15 pm – 4:00 pm</u>	<u>Raffles</u>

Commercial Amusement Games – Class B and Above: Call your local Regional office regarding Mandatory Training scheduling.

Rules Note...



**Attached to this newsletter
are the rules passed at the
February Commission meeting.**

.

**Please remove the rules from
the newsletter and place them
into the appropriate section
of your rules manual
as required by WAC 230-12-080.**

AMENDATORY SECTION (Amending Order 362, filed 9/23/98, effective 1/1/99)

WAC 230-04-119 Licensing of gambling service suppliers. Prior to providing any type of gambling related service ((to any licensed operator)), a gambling service supplier shall first obtain a license or certification from the commission. The following requirements and restrictions apply to certification and licensing of gambling service suppliers:

License required.

(1) For purposes of this title, a license is required to provide any service related to licensed gambling activities as defined in WAC 230-02-205.

License not required.

(2) A sole owner, partner, major officer and/or owner of a substantial interest in a corporation licensed as a gambling service supplier shall not be required to be additionally licensed as a gambling service supplier representative to perform duties in connection with the gambling service supplier's business. Except as provided in this section, a gambling service supplier shall not employ any unlicensed person to perform duties for which a license is required and shall take measures necessary to prevent an unlicensed person from doing so.

Application for license or certification.

((2)) (3) The applicant shall complete the application form supplied by the commission. The applicant shall provide, on the application form or attached thereto, a full description of all services provided or planned to be provided to each ((licensee)) licensee of the commission. Such description shall be in writing and include details necessary for commission staff to determine the scope of services provided to each licensee and the responsibilities of each party under the agreement.

Changes to the application.

((3)) (4) The applicant shall notify the commission within thirty days of any change in the information submitted on or with the application form.

((4) The applicant shall comply with all applicable laws of the United States and the state of Washington and all applicable rules of the commission.))

Limit of responsibility.

(5) In no circumstance may a gambling service supplier assume ultimate responsibility for ((an operator's gambling)) a

licensee's activity.

License fees.

(6) License fees for gambling service suppliers shall be ((five hundred seventy-five dollars, plus one hundred twenty-five dollars per contract for gambling related services.

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification)) as set forth in WAC 230-04-203.

Gambling service supplier holding an interest in a pull-tab manufacturer or distributor business.

(7) A licensed gambling service supplier or substantial interest holder thereof that provides services to punch board and pull-tab operators shall not hold a substantial interest in a licensed manufacturer or distributor of punch boards and pull-tabs: Provided, That for purposes of this section only, the director may determine that the spouse of an individual that is a substantial interest holder in a licensed gambling service supplier business will not be considered a substantial interest holder in the gambling service supplier business. In making such a determination, the director will assess the potential for involvement and/or influence in the gambling service supplier business and the manufacturer or distributor business and whether any potential influence is material. The director may impose additional requirements on either the gambling service supplier business and/or the manufacturer or distributor business. Such limitations may include, but are not limited to, prohibiting sales or providing services to an operator by the affected gambling service supplier business, or manufacturer or distributor business. At least the following documents may be considered by the director in a determination of potential influence:

- (a) Community or marital property agreements;
- (b) Separate property agreements;
- (c) Prenuptial agreements; and
- (d) Wills and codicils.

AMENDATORY SECTION (Amending Order 361, filed 9/23/98, effective 1/1/99)

WAC 230-02-205 Gambling service supplier defined. A "gambling service((s)) supplier" is any person who provides gambling related services for compensation, whether ((direct or indirect, to any licensed operator and who is not an employee of the operator receiving such services)) directly or indirectly.

(1) Gambling related services include at least the following:

(a) Providing consulting or advisory services regarding gambling activities;

(b) Providing gambling related management services;

(c) Providing financing for purchases or leases of gambling equipment or for providing infrastructure that supports gambling operations for more than one licensee. For purposes of this section, financing by any bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution shall not be deemed as providing gambling related services; ((or))

(d) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission;

(e) Providing assembly of components for gambling equipment under a contract with a licensed manufacturer; or

(f) Training individuals to conduct authorized gambling activities.

(2) The term "gambling services supplier" does not include the following:

(a) Universities and colleges that are regulated by the Washington state board of community and technical colleges and the higher education coordinating board which train individuals to conduct authorized gambling activities;

(b) Licensed manufacturers or distributors who service and repair pull-tab dispensing devices, bingo equipment or any other authorized gambling equipment;

((b)) (c) Attorneys, accountants, and governmental affairs consultants whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; and

((c)) (d) Persons that only provide nonmanagement related recordkeeping services for punch board and pull-tab operators, when the combined total gross billings from such services does not exceed twenty thousand dollars during any calendar year.

AMENDATORY SECTION (Amending WSR 97-24-031, filed 11/25/97, effective 1/1/98)

WAC 230-02-206 Gambling service((s)) supplier representative defined. A "gambling service((s)) supplier representative" is any natural person who:

(1) Represents a licensed gambling service((s)) supplier and who is directly involved in providing a service listed in WAC 230-02-205(1);

(2) Instructs card room activities to students enrolled in a university or college regulated by the Washington state board of community and technical colleges, and the higher education coordinating board when such instruction covers dealer procedures as opposed to general casino management.

Operational Questions/Regional Offices

Lynnwood	(425) 776-6751	Tacoma	(253) 471-5312	Spokane	(509) 456-3167
Bellingham	(360) 738-6203	Yakima	(509) 575-2820	Wenatchee	(509) 662-0435

Headquarters

Lacey (800) 345-2529 or (360) 438-7654

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* Call the closest regional office listed above

**Washington State Council on Problem Gambling
(800) 547-6133**

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